

**Report on Audit of Specified Cost Elements
for Indefinite Delivery/Indefinite Quality
Proposal
TIRNO-01-R-00005**

August 2001

Reference Number: 2001-1C-133

This report has cleared the Treasury Inspector General for Tax Administration disclosure review process and information determined to be restricted from public release has been redacted from this document.



INSPECTOR GENERAL
for TAX
ADMINISTRATION

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

August 13, 2001

MEMORANDUM FOR DAVID A. GRANT
DIRECTOR OF PROCUREMENT
INTERNAL REVENUE SERVICE

A handwritten signature in cursive script, reading "Pamela J. Gardiner".

FROM: Pamela J. Gardiner
Deputy Inspector General for Audit

SUBJECT: Report on Audit of Specified Cost Elements for Indefinite
Delivery/Indefinite Quantity Proposal TIRNO-01-R-00005

In response to your request, the Defense Contract Audit Agency (DCAA) audited the direct labor rates, escalation factor, overhead rate, fringe benefit rate, General and Administrative expense rate, and cost of money factor included in the proposed composite of Firm Fixed Price rates. This report is limited to the audit of proposed Firm Fixed Price rates and other direct costs. Accordingly, the DCAA expresses no opinion on the contractor's proposal taken as a whole.

The DCAA took no exception to the proposed Firm Fixed Price composite rates based on their evaluation of each component of the rates. However, the DCAA qualified its conclusion for non-receipt of the technical evaluation that may have an effect on the proposed Firm Fixed Price composite rates and the Internal Revenue Service's determination of a negotiated profit percentage.

The information in this report should not be used for purposes other than that intended without prior consultation with the Treasury Inspector General for Tax Administration regarding its applicability.

If you have any questions, please contact me at (202) 622-6510 or Maurice S. Moody, Assistant Inspector General for Audit (Headquarters Operations and Exempt Organizations Programs), at (202) 622-8500.

Attachment

NOTICE:

The Office of Inspector General for Tax Administration has no objection to the release of this report, at the discretion of the contracting officer, to duly authorized representatives of the contractor.

The contractor information contained in this report is proprietary information. The restrictions of 18 USC 1905 must be followed in releasing any information to the public.

This report may not be released without the approval of this office, except to an agency requesting the report for use in negotiating or administering a contract with the contractor.

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